



General Assembly

January Session, 2013

Raised Bill No. 6435

LCO No. 2923



Referred to Committee on BANKS

Introduced by:
(BA)

***AN ACT CONCERNING THE CONVEYANCE TAX AND
FORECLOSURES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 12-498 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2013*):

4 (a) The tax imposed by section 12-494 shall not apply to: (1) Deeds
5 which this state is prohibited from taxing under the Constitution or
6 laws of the United States; (2) deeds which secure a debt or other
7 obligation; (3) deeds to which this state or any of its political
8 subdivisions or its or their respective agencies is a party; (4) tax deeds;
9 (5) deeds of release of property which is security for a debt or other
10 obligation; (6) deeds of partition; (7) deeds made pursuant to mergers
11 of corporations; (8) deeds made by a subsidiary corporation to its
12 parent corporation for no consideration other than the cancellation or
13 surrender of the subsidiary's stock; (9) deeds made pursuant to a
14 decree of the Superior Court under section 46b-81 [, 49-24] or 52-495;
15 (10) deeds, when the consideration for the interest or property

16 conveyed is less than two thousand dollars; (11) deeds between
17 affiliated corporations, provided both of such corporations are exempt
18 from taxation pursuant to paragraph (2), (3) or (25) of Section 501(c) of
19 the Internal Revenue Code of 1986, or any subsequent corresponding
20 internal revenue code of the United States, as from time to time
21 amended; (12) deeds made by a corporation which is exempt from
22 taxation pursuant to paragraph (3) of Section 501(c) of the Internal
23 Revenue Code of 1986, or any subsequent corresponding internal
24 revenue code of the United States, as from time to time amended, to
25 any corporation which is exempt from taxation pursuant to said
26 paragraph (3) of said Section 501(c); (13) deeds made to any nonprofit
27 organization which is organized for the purpose of holding
28 undeveloped land in trust for conservation or recreation purposes; (14)
29 deeds between spouses; (15) deeds of property for the Adriaen's
30 Landing site or the stadium facility site, for purposes of the overall
31 project, each as defined in section 32-651; (16) land transfers made on
32 or after July 1, 1998, to a water company, as defined in section 16-1,
33 provided the land is classified as class I or class II land, as defined in
34 section 25-37c, after such transfer; (17) transfers or conveyances to
35 effectuate a mere change of identity or form of ownership or
36 organization, where there is no change in beneficial ownership; and
37 (18) conveyances of residential property which occur not later than six
38 months after the date on which the property was previously conveyed
39 to the transferor if the transferor is (A) an employer which acquired the
40 property from an employee pursuant to an employee relocation plan,
41 or (B) an entity in the business of purchasing and selling residential
42 property of employees who are being relocated pursuant to such a
43 plan. [; (19) deeds in lieu of foreclosure that transfer the transferor's
44 principal residence; and (20) any instrument transferring a transferor's
45 principal residence where the gross purchase price is insufficient to
46 pay the sum of (A) mortgages encumbering the property transferred,
47 and (B) any real property taxes and municipal utility or other charges
48 for which the municipality may place a lien on the property and which
49 have priority over the mortgages encumbering the property

50 transferred.]

51 (b) The tax imposed by subdivision (1) of section 12-494 shall not
52 apply to (1) deeds of the principal residence of any person approved
53 for assistance under section 12-129b or 12-170aa for the current
54 assessment year of the municipality in which such person resides or to
55 any such transfer which occurs within fifteen months of the
56 completion of any municipal assessment year for which such person
57 qualified for such assistance; (2) deeds of property located in an area
58 designated as an enterprise zone in accordance with section 32-70; (3)
59 deeds of property located in an entertainment district designated
60 under section 32-76 or established under section 2 of public act 93-311.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2013</i> | 12-498(a) |

Statement of Purpose:

To increase revenue by eliminating the foreclosure exemption from the requirement for payment of the conveyance tax.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]